

The image features a background of a miniature house model on a wooden surface with a set of keys in the foreground. A large red circle is partially visible in the top left corner, and a green triangle is in the bottom right corner. The text 'dwello mortgages' is prominently displayed in the upper left.

**dwello**  
mortgages

**Mortgages Snapshot**  
July 2023

# Snapshot Summary

July 2023

Dwello hunt down the right mortgages for our customers by being on the frontline of the mortgage market, tracking offers and rates across a broad range of lenders from high street banks to bespoke specialists. The following provides a summary of key trends from across the market in July 2023.

**Despite the challenging environment, there is good news to be found in the data...**

- Based on 85% LTV, ahead of the **0.25% base rate increase in early August**, average purchase rates have increased, with **the lowest deals at 4.90%**.
- Based on 85% LTV, ahead of the **0.25% base rate increase in early August**, average remortgage rates have increased, **with the lowest deals at 5.00%**.
- Monthly property transactions in **June 2023 were 94,615, 9% lower than June 2022**.
- The average sale price in May 23 remained **comparable to April at £286k**. **Average asking price dropped for the second month in a row showing that sellers are starting to compromise on value**.
- Remortgages substantially increased their dominance in the overall mortgage market (**40%**) in **2023 Q1**, which is to be **expected given the current climate, the buy to let market also cooled off a little with a 2% fall from last quarter**.
- The value of **gross mortgage advances in 2023 Q1 was £58.8 billion**, which was **£22.9 billion lower than the previous quarter**, and 23.6% lower than in 2022 Q1. This was the **lowest observed since 2020 Q2**.

# Mortgages aren't just numbers, they're dreams and ambitions waiting to be realised.

Our ambition is to hunt down your mortgage match.

Sit back and relax, our aim is to hunt down the right mortgage for you and your life.

If you're moving home, re-mortgaging or a buy-to-let investor, let us search a wide range of products from high street lenders to specialist providers, so we can find the right mortgage match for you.



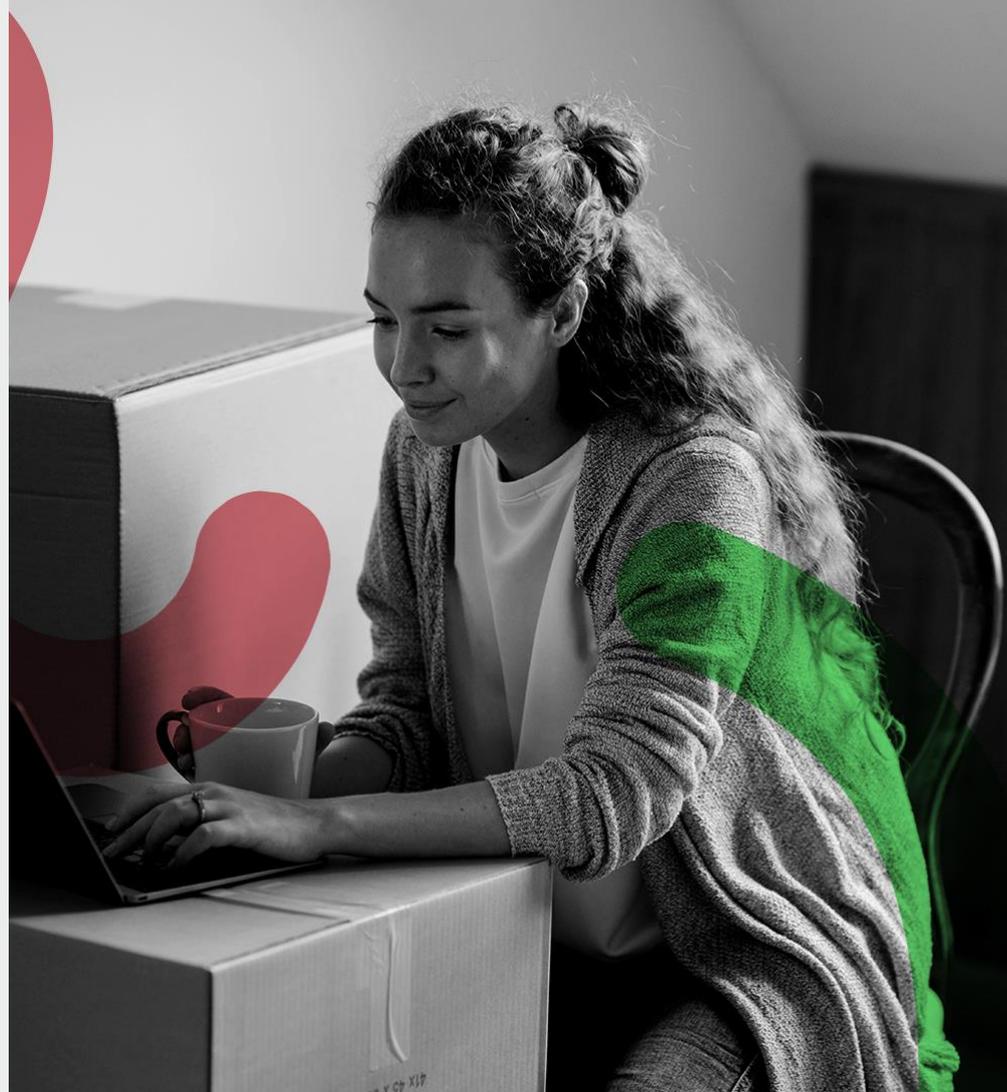
WhatsApp  
07714 597 081



Email  
[info@dwellmortgages.co.uk](mailto:info@dwellmortgages.co.uk)



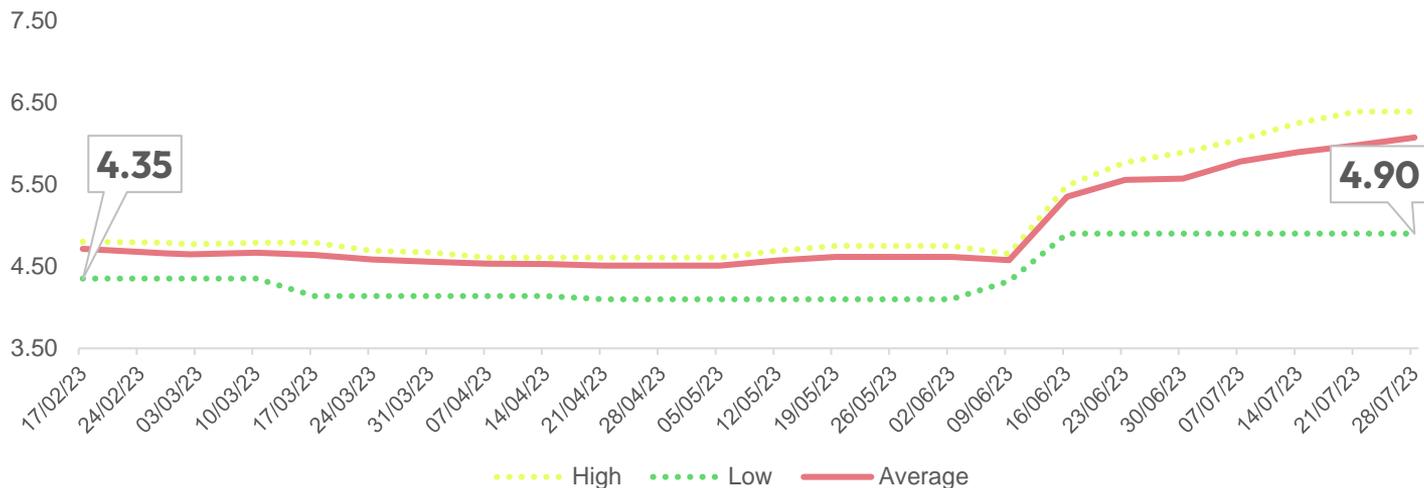
Phone  
0333 533 0051



## Dwello – Mortgage Rate Index (85% LTV Purchase)

“Based on 85% LTV, ahead of the 0.25% base rate increase in early August, average purchase rates have increased, with the lowest deals at 4.90%”

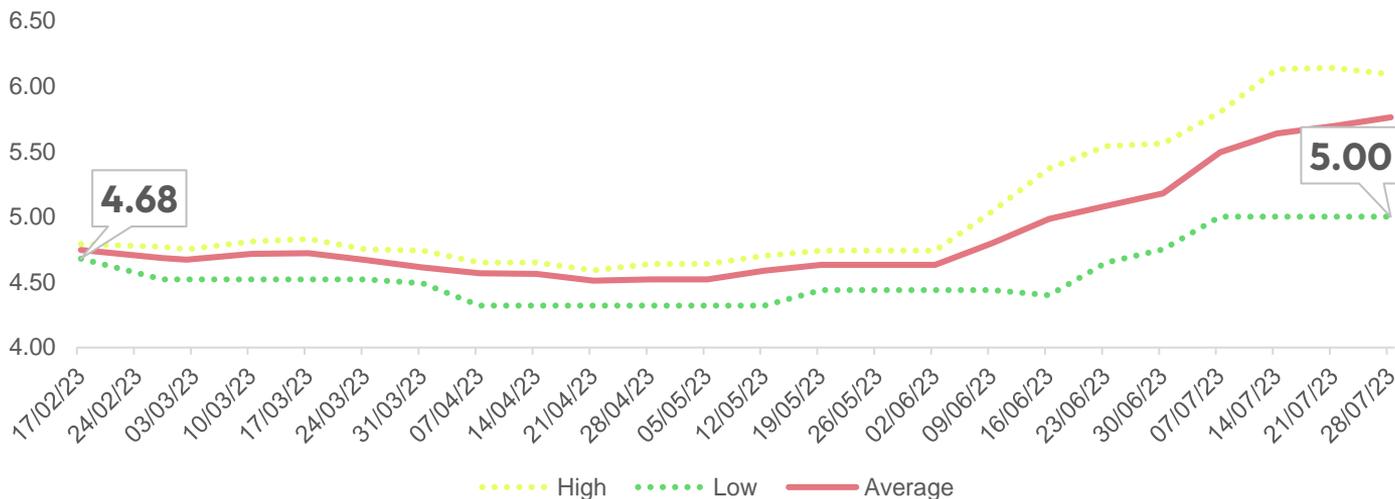
Purchase Top 10 lenders



# Dwello – Mortgage Rate Index (85% LTV Remortgage)

“Based on 85% LTV, ahead of the 0.25% base rate increase in early August, average remortgage rates have increased, with the lowest deals at 5.00%”

Remortgage Top 10 lenders





# The Buy-to-Let Conundrum

The market has taken a turn for the worst in the eyes of home buyers and remortgage applicants with the news that the average 2 year fixed product in the UK is sitting just below the 6% mark for the middle of June 2023.

Landlords are making their lowest profits for 16 years as interest rates rise, leading some to look to leave the sector. With the ones that remain, we are seeing BTL landlords unable to take the hit of ever increasing interest rates which have squeezed their margins over the last 6 months.

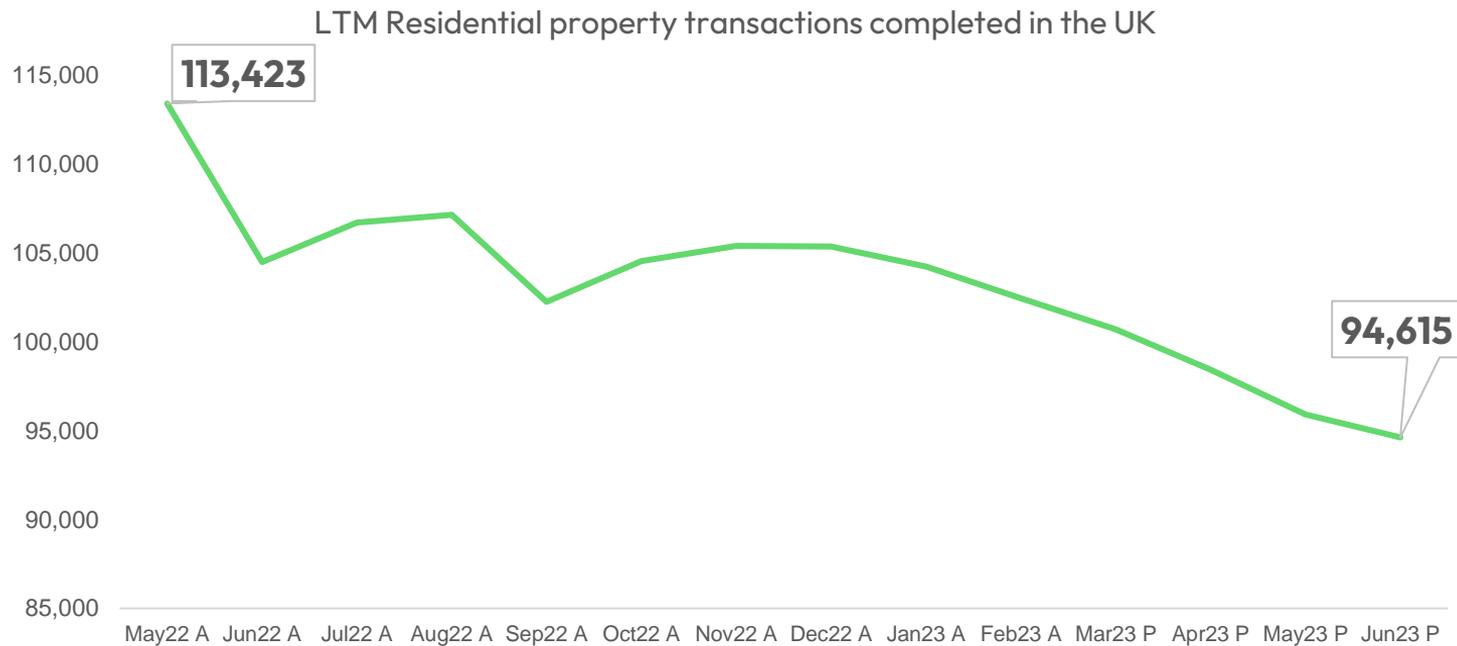
They are now having to pass this cost onto their tenants to comply with affordability thresholds. Borrowers are braced for more pain, with the Bank of England expected to raise rates for the 13th meeting in a row next week. The Bank's former governor Mark Carney has predicted interest rates would remain high "for the foreseeable future".

An interesting take from Savills explains data from the first three months of the year showed buy-to-let investors had already been squeezed, with net profits falling below 4% - the lowest since 2007.

Where does this leave the BTL market? Speak with a broker today and discuss options before downsizing your portfolio as there are many ways to prove affordability, including top slicing based on current personal income to access cheaper rates or possibly investing more to bring monthly payments down in this ever-moving market.

# Residential transaction volumes

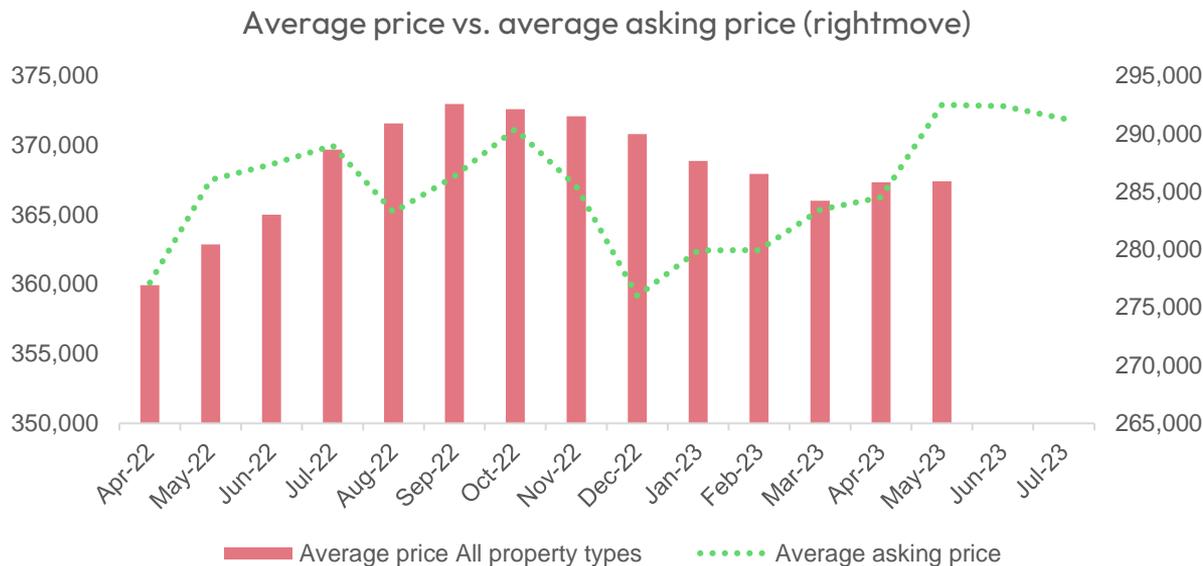
“Monthly property transactions in June 2023 were 94,615, 9% lower than June 2022”



Source: <https://www.gov.uk/government/statistics/monthly-property-transactions-completed-in-the-uk-with-value-40000-or-above>

# Residential transaction prices

“The average sale price in May 23 remained comparable to April at £286k. Average asking price dropped for the second month in a row showing that sellers are starting to compromise on value”



# Have you heard of the potential salary sacrifice mortgages?

There has been rumbling over the last month or so about this idea and now a petition to get mortgage payments paid before income tax and National Insurance contributions in the UK has gathered some major traction.

This bold concept has been envisioned and carried out by Mr Aqad Zane Manager of Operational Risk Capital & Analytics at NatWest group, in an attempt to allow UK households the benefit of salary sacrifices to offset larger tax requirements.

This potential debate could help the majority of households that have been squeezed the most during this financial crisis in alleviating their current tax burden.

The petition currently sits at above 25,000 signatures, once 100,000 has been achieved the Government will have to consider it as a debate in the house of parliament.



## Mortgage use

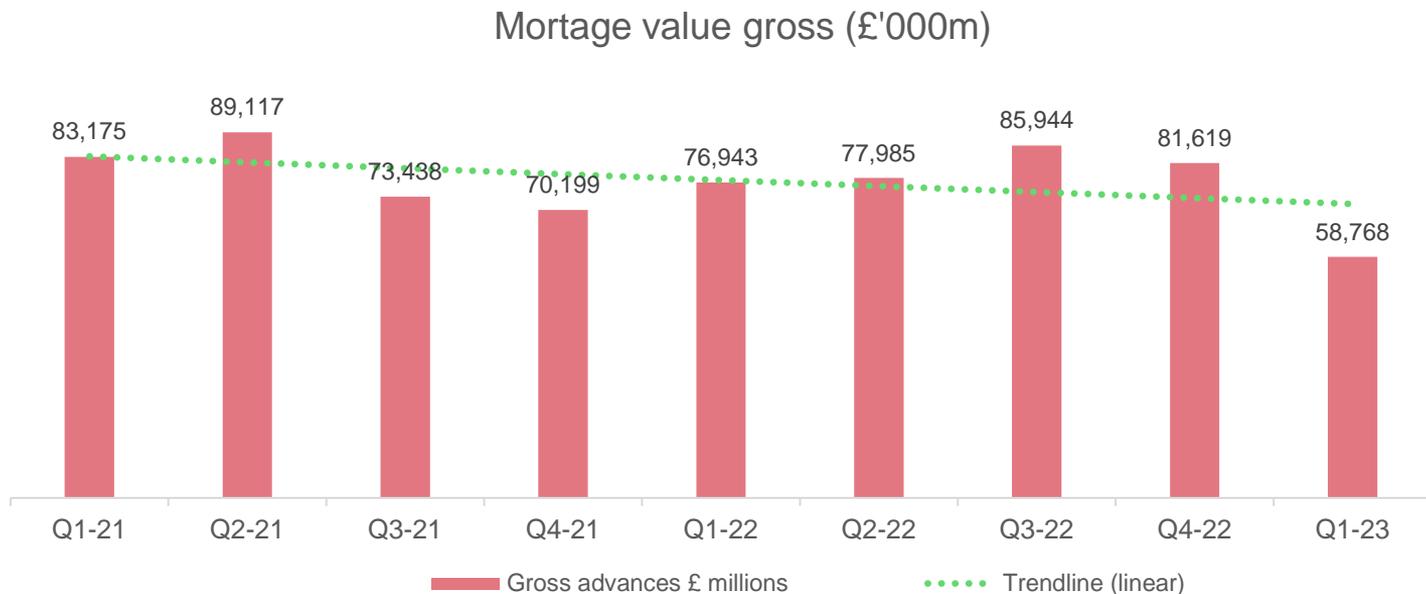
“Remortgages substantially increased their dominance in the overall mortgage market (40%) in 2023 Q1, which is to be expected given the current climate, the buy to let market also cooled off a little with a 2% fall from last quarter“

Loan purpose in %



## Mortgage Value Gross

“The value of gross mortgage advances in 2023 Q1 was £58.8 billion, which was £22.9 billion lower than the previous quarter, and 23.6% lower than in 2022 Q1. This was the lowest observed since 2020 Q2.”





# Supply and Demand - A UK Housing Crash?

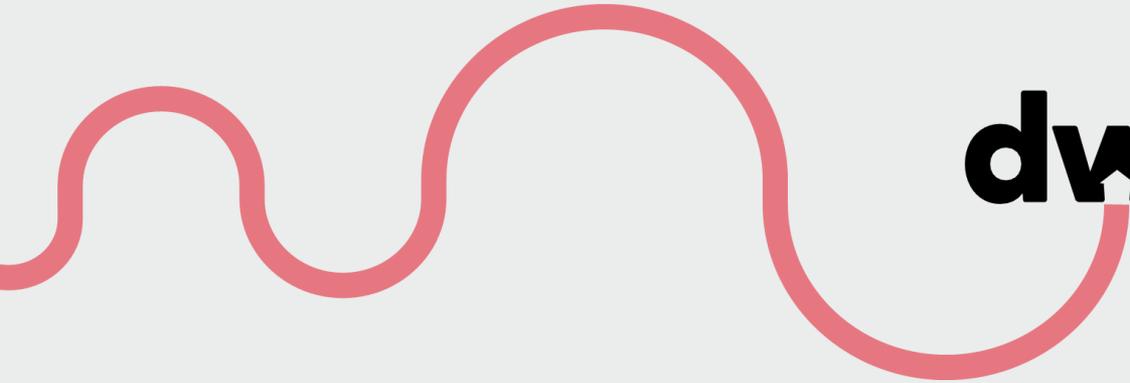
With mortgage interest rates squeezing our affordability thresholds, lenders and borrowers alike are tightening their purse strings in a bid to stay afloat in these turbulent financial waters. With this necessary action to a varying market the knock on affects are starting to take place.

House prices reductions in June showed a fall by 2.6% year-on-year, the largest drop in 12 years on Halifax's index, homeowners are finding it increasing hard to command their aspired asking prices. Are we heading for the forewarned crash in the housing market slightly premature than first expected?

The second notable downturn in June is that residential construction decreased at the fastest pace since March 2020, when the country entered COVID-19 lock-down for the first time. This will ultimately put increasing pressures on the housing market to accommodate and already under serviced UK industry.

Samuel Tombs, chief UK economist for Pantheon Macroeconomics, said higher mortgage rates have "triggered a plunge in housebuilding". This could work in favour for potential house sellers, but for buyers it will create a gazumping environment we saw in and around the pandemic, that made the buying process a minefield of surprises and disappointment. He also added: "June's construction PMI suggests that interest rates now have risen far enough to push the sector into a renewed downturn."

With supply decreasing over the last few months and no real sign of any upswing, securing a property now would be wise to stave off the eventual competitive buyers' market around the corner for the UK.



# **dwello**

**mortgages**



WhatsApp  
**07714 597 081**



Email  
**[info@dwellomortgages.co.uk](mailto:info@dwellomortgages.co.uk)**



Phone  
**0333 533 0051**